

- (1) be qualified by education and training for the duties of the office;
- (2) be experienced in the law, regulations, and rulings of the United States Department of Veterans Affairs controlling cases that come before the commission; and
- (3) have the service experience specified by Subsection (c) or be:
 - (A) a widowed Gold Star Mother or unmarried widow of a serviceman or veteran whose death resulted from service; or
 - (B) *the spouse of a disabled veteran who has a total disability rating based either on having a service-connected disability with a disability rating of 100 percent or on individual unemployability.*

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2009.

Passed by the House on April 30, 2009: Yeas 144, Nays 0, 1 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 3872 on May 29, 2009, and requested the appointment of a conference committee to consider the differences between the two houses; the House adopted the conference committee report on H.B. No. 3872 on May 31, 2009: Yeas 147, Nays 0, 1 present, not voting; passed by the Senate, with amendments, on May 25, 2009: Yeas 31, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; the Senate adopted the conference committee report on H.B. No. 3872 on May 31, 2009: Yeas 31, Nays 0.

Approved June 19, 2009.

Effective June 19, 2009.

CHAPTER 1195

H.B. No. 3896

AN ACT

relating to the authority of the governing body of a municipality or the commissioners court of a county to enter into an ad valorem tax abatement agreement.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 312.006, Tax Code, as amended by Chapters 1029 (H.B. 1449) and 1505 (H.B. 1200), Acts of the 77th Legislature, Regular Session, 2001, is amended to read as follows:

Sec. 312.006. EXPIRATION DATE. If not continued in effect, this chapter expires September 1, 2019 ~~[2009]~~.

SECTION 2. Subchapter A, Chapter 312, Tax Code, is amended by adding Section 312.007 to read as follows:

Sec. 312.007. DEFERRAL OF COMMENCEMENT OF ABATEMENT PERIOD. (a) In this section, "abatement period" means the period during which all or a portion of the value of real property or tangible personal property that is the subject of a tax abatement agreement is exempt from taxation.

(b) Notwithstanding any other provision of this chapter, the governing body of the taxing unit granting the abatement and the owner of the property that is the subject of the agreement may agree to defer the commencement of the abatement period until a date that is subsequent to the date the agreement is entered into, except that the duration of an abatement period may not exceed 10 years.

SECTION 3. Section 312.402, Tax Code, is amended by amending Subsection (a) and adding Subsections (a-1), (a-2), and (a-3) to read as follows:

(a) The commissioners court may execute a tax abatement agreement with the owner of taxable real property located in a reinvestment zone designated under this subchapter *or with the owner of tangible personal property located on real property in a reinvestment zone to exempt from taxation all or a portion of the value of the real property, all or a portion of the value of the tangible personal property located on the real property, or all or a portion of the value of both*. ~~The court may execute a tax abatement agreement with the owner of a leasehold interest in tax-exempt real property or leasehold interests or improvements on tax-exempt real property that is located in a reinvestment zone designated under this subchapter to exempt a portion of the value of tangible personal property or leasehold interests or improvements on tax-exempt real property located on the real property. The execution, duration, and other terms of an agreement made under this section are governed by the provisions of Sections 312.204, 312.205, and 312.211 applicable to a municipality. Section 312.2041 applies to an agreement made by a county under this section in the same manner as it applies to an agreement made by a municipality under Section 312.204 or 312.211.~~

(a-1) *The commissioners court may execute a tax abatement agreement with the owner of a leasehold interest in tax-exempt real property located in a reinvestment zone designated under this subchapter to exempt all or a portion of the value of the leasehold interest in the real property. The court may execute a tax abatement agreement with the owner of tangible personal property or an improvement located on tax-exempt real property that is located in a designated reinvestment zone to exempt all or a portion of the value of the tangible personal property or improvement located on the real property.*

(a-2) *The execution, duration, and other terms of an agreement entered into under this section are governed by the provisions of Sections 312.204, 312.205, and 312.211 applicable to a municipality. Section 312.2041 applies to an agreement entered into under this section in the same manner as that section applies to an agreement entered into under Section 312.204 or 312.211.*

(a-3) *The commissioners court may execute a tax abatement agreement with a lessee of taxable real property located in a reinvestment zone designated under this subchapter to exempt from taxation all or a portion of the value of the fixtures, improvements, or other real property owned by the lessee and located on the property that is subject to the lease, all or a portion of the value of tangible personal property owned by the lessee and located on the real property that is the subject of the lease, or all or a portion of the value of both the fixtures, improvements, or other real property and the tangible personal property described by this subsection.*

SECTION 4. Section 312.007, Tax Code, as added by this Act, is intended to clarify rather than change existing law.

SECTION 5. An ad valorem tax abatement agreement that was executed before the effective date of this Act by the commissioners court of a county and an owner of taxable real property or tangible personal property or an owner of a leasehold interest in tax-exempt real property, under Section 312.402, Tax Code, as that section existed before the effective date of this Act, that provides for an exemption from taxation of all or a portion of the value of real property, tangible personal property, or both, or of all or a portion of the value of a leasehold interest in tax-exempt real property, that is not invalid for a reason other than an inconsistency with Section 312.402, Tax Code, as that section existed before the effective date of this Act, and that is consistent with Section 312.402, Tax Code, as amended by this Act, is ratified and validated as of the date the agreement was executed.

SECTION 6. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2009.

Passed by the House on May 12, 2009: Yeas 144, Nays 4, 1 present, not voting; the House concurred in Senate amendments to H.B. No. 3896 on May 29, 2009: Yeas 141, Nays 0, 2 present, not voting; passed by the Senate, with amendments, on May 25, 2009: Yeas 31, Nays 0.

Approved June 19, 2009.

Effective June 19, 2009.